



San Diego City Attorney **MICHAEL J. AGUIRRE**

NEWS RELEASE

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Contact: Maria Velasquez, Communications Director (619) 235-5725 mvelasquez@sandiego.gov

CITY ATTORNEY ASKS APPEALS COURT TO REVERSE LOWER COURT'S DECISION KEEPING MAJORITY OF PENSION DEBT

Judge Barton postpones further court proceedings

San Diego, CA: City Attorney Michael Aguirre today filed a petition for peremptory writ of mandate with the 4th District Court of Appeal to overturn a lower court's ruling in the City's pension case, which declared that the majority of pension benefits granted to City employees in 1996 and 2002 cannot be reversed because of subsequent legal settlement (Corbett and Gleason) agreements.

"It's important for San Diegans to understand that our system of government cannot survive if City officials do not comply with the law and if the Courts fail to enforce the law," said City Attorney Aguirre. "If we are not successful in shedding the costly illegal pension benefits, taxpayers will be forced to bear the brunt of reduced library hours, closed recreational facilities, delayed street and infrastructure repairs, and City property being sold to the highest bidder."

On Monday, Superior Court Judge Jeffrey B. Barton issued his final statement of decision, which clears the way for the City Attorney to seek the writ.

Arguments contained in the writ challenge the lower court's ruling which disregards California's Section 1090 conflict-of-interest violations which occurred when pension board members voted in 1996 and 2002 to allow the City to underfund the pension system in exchange for personal pension benefit enhancements.

The petition also contends that the lower court completely misread California's debt limit laws that provide that no city, "shall incur any indebtedness or liability in any manner or for any purpose exceeding in any year the income and revenue provided for such year" without a two-thirds vote of the electorate.

This afternoon, Judge Barton also postponed any further court proceedings on the City's pension case until the Court of Appeals has had an opportunity to review the writ. To view a copy of the writ visit www.sandiegocityattorney.org, view "Significant Reports & Legal Documents."

According to Aguirre, the current combined pension (\$1.4 billion) and city employee health benefit (\$1.4 billion) debts amount to \$3 billion, equaling \$12,000 per household within the City of San Diego.

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